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RUEHTV/AMEMBASSY TEL AVIV PRIORITY 0631
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RHEHAAA/WHITE HOUSE WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RHMFISS/HQ USCENCOM MACDILL AFB FL PRIORITY
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 02 OF 02 DAMASCUS 006439

SIPDIS

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NEA/ELA
NSC FOR ABRAMS/DORAN
TREASURY FOR GLASER/LEBENSON
EB/ESC/TFS FOR SALOOM

E.O. 12958: DECL: 12/11/2015
TAGS: [EAID](#) [ECON](#) [EFIN](#) [EINV](#) [SY](#)
SUBJECT: THE SARG PRESENTS ITS DEVELOPMENT PLAN TO THE
DONOR COMMUNITY

* Missing Section 001 *

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the control of the government bureaucracy.

16. (C) Comment. Though the SARG's initiative to consult with the donor community is a positive step, the plan itself lacks detail and it remains doubtful that the reformers have a real mandate. Unfortunately, the SARG is still unable to discuss publicly its largest economic challenges) subsidies that consume nearly 50 percent of its published budget, and privatization of the cash hemorrhaging state-owned enterprises. Ultimately, the SARG will have to face the reality that Husrieh alluded to) implementing its development plan would cause its corrupt classes to lose their stranglehold on economic activity, formalize economic decision-making, and remove the security services from their current role of implementing the anonymous economic policy vetoes of regime insiders. The reformers have yet to prevail in a confrontation with either group.
SECHE